

Health Benefits Fund  
For the period ended December 31, 2007  
(amounts expressed in thousands)

	Unaudited Preliminary FY2007	FY2008				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
<b>Operating Revenues</b>						
City Medical Plans	\$ 232,986	252,280	\$ 252,280	\$ 124,247	\$ 249,062	\$ 249,062
City Dental Plans	7,641	7,806	7,806	3,880	7,784	7,784
City Life Insurance Plans	5,778	6,219	6,219	3,041	6,128	6,128
Health Flexible Spending Account	453	1,000	1,000	244	500	500
Dependent Care Reimbursement	162	175	175	78	170	170
<b>Operating Revenues</b>	<u>247,020</u>	<u>267,480</u>	<u>267,480</u>	<u>131,490</u>	<u>263,644</u>	<u>263,644</u>
<b>Operating Expenses</b>						
City Medical Plan Claims	227,852	251,369	251,369	123,814	250,067	250,067
City Dental Plan Claims	7,641	7,806	7,806	3,880	7,784	7,784
City Life Insurance Plans	5,774	6,219	6,219	2,939	6,126	6,126
Administrative Costs	3,059	3,585	3,585	1,374	3,246	3,246
Health Flexible Spending Account	420	1,000	1,000	215	500	500
Dependent Care	162	175	175	78	170	170
<b>Operating Expenses</b>	<u>244,908</u>	<u>270,154</u>	<u>270,154</u>	<u>132,300</u>	<u>267,893</u>	<u>267,893</u>
Operating Income (Loss)	2,112	(2,674)	(2,674)	(810)	(4,249)	(4,249)
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	657	500	500	358	700	700
Prior Year Expense Recovery	0	50	50	0	50	50
Medicare Part D - Subsidy	2,125	1,611	1,611	0	1,611	1,611
Medicare Part D - Distribution	(2,125)	(1,611)	(1,611)	0	(1,611)	(1,611)
<b>Nonoperating Revenues (Expenses)</b>	<u>657</u>	<u>550</u>	<u>550</u>	<u>358</u>	<u>750</u>	<u>750</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	2,769	(2,124)	(2,124)	(452)	(3,499)	(3,499)
Net Assets, Beginning of Year	<u>2,990</u>	<u>5,759</u>	<u>5,759</u>	<u>5,759</u>	<u>5,759</u>	<u>5,759</u>
Net Assets, End of Year	\$ <u>5,759</u>	\$ <u>3,635</u>	\$ <u>3,635</u>	\$ <u>5,307</u>	\$ <u>2,260</u>	\$ <u>2,260</u>

**About the Fund:**

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Preferred Provider (PPO) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.